



ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

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AC Transit

Director
Patricia Piras

Alameda County

Supervisors
Gail Steele
Scott Haggerty

City of Alameda

Mayor
Beverly Johnson

City of Albany

Mayor
Peggy Thomsen

BART

Vice Chairperson
Director
Pete Snyder

City of Berkeley

Councilmember
Kris Worthington

City of Dublin

Councilmember
George A. Zika

City of Emeryville

Councilmember
Nora Davis

City of Fremont

Mayor
Gus Morrison

City of Hayward

Mayor
Roberta Cooper

City of Livermore

Councilmember
Tom Vargas

City of Newark

Vice Mayor
Luis Freitas

City of Oakland

Councilmember
Larry Reid

City of Piedmont

Councilmember
Jeff Wieler

City of Pleasanton

Chairperson
Mayor
Tom Pico

City of San Leandro

Mayor
Shelia Young

City of Union City

Mayor
Mark Green

Executive Director

Dennis R. Fay

March 14, 2003

REQUEST FOR PROPOSALS for AUDITING SERVICES

Dear Consultant:

The Alameda County Congestion Management Agency is requesting proposals from a qualified firm or firms of certified public accountants to audit its financial statements and perform a Single Audit for the fiscal year ending June 30, 2003, with the option of extending the contract for each of the two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments.

The full RFP can be obtained by contacting the CMA, or it can be downloaded from CMA's website at:

<http://www.accma.ca.gov/pages/announce.shtml>

To be considered, seven (7) copies of a proposal must be received by the CMA by noon on April 4, 2003 at its offices at 1333 Broadway, Suite 220, Oakland, CA, 94612. Proposals arriving after the deadline will not be accepted. The CMA reserves the right to reject any proposals submitted which are deemed non-responsive to the proposal requirements as outline in Section VI of this RFP.

Proposals will be evaluated by a review committee chaired by CMA's Accounting Manager. Following notification of the selected firm, it is expected a contract will be executed between both parties by the end of April, 2003. The evaluation process is described in greater detail in Section VII of this RFP.

We look forward to receiving a submittal from your firm. If you have any questions regarding this project, please call me at (510) 836-2560.

Sincerely,

Yvonne Chan
Accounting Manager

REQUEST FOR PROPOSALS
for
AUDITING SERVICES

By the

Alameda County Congestion Management Agency (CMA)

RESPONSES DUE:

12:00 PM, April 4, 2003

Alameda County Congestion Management Agency (CMA)

1333 Broadway, Suite 220,

Oakland, CA 94612

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

Request for Proposals

for

Auditing Services

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I. INTRODUCTION

General Information

The Alameda County Congestion Management Agency (CMA) is requesting proposals from a qualified firm or firms of certified public accountants to audit its financial statements and perform a Single Audit for the fiscal year ending June 30, 2003, with the option of extending the contract for each of the two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments.

To be considered, seven (7) copies of a proposal must be received by CMA by noon on April 4, 2003 at its offices at 1333 Broadway, Suite 220, Oakland, CA 94612. Proposals arriving after the deadline will not be accepted. The CMA reserves the right to reject any proposals submitted, which are deemed non-responsive to the proposal requirements as outlined in Section VI of this RFP.

Proposals will be evaluated by a review committee chaired by CMA's Accounting Manager. It is anticipated that the committee will immediately forward its recommendation for final selection to CMA's Administration and Legislation Committee on April 14th. The full CMA Board will likely subsequently approve the final selection on April 24th. Following notification of the selected firm, it is expected a contract will be executed between both parties by the end of April, 2003. The evaluation process is described in greater detail in Section VII of this RFP.

II. NATURE OF SERVICES REQUIRED

A. General

The CMA is soliciting the services of qualified firms of certified public accountants to audit its financial statements and perform a Single Audit for the fiscal year ending June 30, 2003, with the option of extending the contract for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The CMA desires the auditor to express an opinion on the fair presentation of its general purpose financial statements and combining financial statements in conformity with generally accepted accounting principles. The auditor will also perform the required work tasks for the Single Audit.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act of 1996 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
3. A management report with recommendations for improving operations.
4. All reports required under the Single Audit Act.
5. Completion and filing of the federal "Data Collection Form for Reporting on AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS [Form SF-SAC].

E. Special Considerations

1. The "Schedule of Expenditures of Federal Awards" and related auditor's report, as well as the reports on the internal controls and compliance are not to be included in the comprehensive annual financial report, but are to be issued separately [see distribution of printed reports in Section IV. B.].
2. Audited financial statements must be delivered to the CMA by November 30.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by CMA of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- Alameda County Congestion Management Agency
- Cognizant Agencies for Federal grants (Caltrans)
- U.S. General Accounting Office (GAO)
- Parties designated by the federal or state governments or by CMA as part of an audit

quality review process

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF ALAMEDA COUNTY CMA

Alameda County CMA was created in 1991 in response to Proposition 111, passed by California voters in 1990. Proposition 111 increased the statewide fuel tax to fund transportation projects and required all urban counties to designate a congestion management agency to plan and implement projects and programs with these new funds. A joint powers agreement with Alameda County, its 14 cities and transit operators enables the CMA to perform its activities under California law.

Alameda County CMA works with other CMAs in the region, other transportation funding agencies such as the Alameda County Transportation Authority, the Metropolitan Transportation Commission which plans and funds transportation projects for the nine-county Bay Area, the California Transportation Commission, Caltrans, and every local jurisdiction and transit provider in Alameda County.

The CMA prepares its budgets on a basis consistent with generally accepted accounting principles.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date contract is to be finalized.

Request for Proposals issued	March 14, 2003
Due Date for proposals	April 4, 2003 at noon
Administration and Legislation Committee approval	April 14, 2003
CMA Board approval	April 24, 2003
Selected Firm notified. Contract negotiations begin.	April 30, 2003
Contract date	May 5th, 2003

B. Proposed Schedule for the Fiscal Year Audit

CMA is seeking the auditor to complete the following milestones in year one by the dates indicated below:

Milestone	Due Date
Interim Fieldwork (Expect 1-2 days in Year 1)	By June 15 th
Schedules: The auditor shall provide CMA with a list of all schedules and confirmations to be prepared by CMA.	By June 15 th
Final Fieldwork: CMA expects the same audit staff who performed the interim fieldwork to perform the final audit work, whenever possible.	Should begin September 1 st
Draft Financial Statements and Footnotes, and Management Letter: To be reviewed by CMA staff.	Should be submitted no later than September 30 th .
Final Draft of Financial Statements and Management Report: To be distributed for mailing to CMA	October 15 th .
Presentation to Administration and Legislation Committee	November 1 st
CMA review and approval of Final Draft of Financial Statements and Management Report	November 15 th
Distribution of printed reports (10 bound, combined Fiscal and Single Audit Reports)	November 30 th
Single Audit: The timing of Single Audit work, report production, approval, acceptance and delivery should mirror the schedule for the fiscal audit.	Same as above

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

CMA's management and clerical staff, and the CMA's consultants will be available during the audit to assist the firm by providing information, documentation and explanations. CMA clerical support will be made available to the auditor for the preparation of routine letters and memoranda. The preparation of confirmations will be the responsibility of CMA.

It should also be noted that there is limited space available for our auditors. A small meeting room will be made available, which will comfortably accommodate two to four people. Additional space, if needed, can be made available for a few days at a time with advance notice. The auditor will be provided with access to a telephone and photocopying and fax machines.

Report Preparation

The auditor will prepare the initial draft of the financial statements, the footnote disclosures and Single Audit reports and schedules for review and acceptance by CMA. Final report preparation, editing, and printing shall be the responsibility of the auditor.

VI. PROPOSAL REQUIREMENTS

All inquiries concerning the request for proposals should be made to Yvonne Chan, Accounting Manager, Alameda County Congestion Management Agency. Yvonne Chan can be reached at (510) 836-2560.

A. General Requirements

Receipt of the following material is required by noon on April 4, 2003 for a proposing firm to be considered:

1. An original proposal (so marked) and six copies.
2. The proposal should include:
 - a. Title page showing the firm's name, address and telephone number of the contact person, and the date of the proposal.
 - b. Table of contents.
 - c. Transmittal letter (signed) stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for 90 days.
 - d. Technical proposal which follows the order set forth in Section VI B of this request for proposals.

B. Technical Proposal Outline

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of CMA in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements. The technical proposal should be no longer than 12 pages. Please follow the outline below. Additional information can be included in an appendix to your proposal.

1. Independence

The firm should provide an affirmative statement that it is independent of CMA as defined by generally accepted auditing standards and the U.S. General Accounting Office's

Government Auditing Standards (1994).

2. License to Practice in California

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in the State of California.

3. Firm Qualifications and Experience

This includes the breadth and depth of the firm's experience in reviewing the financial activities of local government entities. Specifically, experience with local transportation agencies, or similar agencies in California is desirable.

4. Audit Manager and Staff Qualifications and Experience

Identify the principal audit manager and staff, including engagement managers, other accountants and specialists, who would be assigned to the engagement. Provide information on the government auditing experience of each person. Specific transportation-related auditing experience would be beneficial.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

5. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Extent of use of computer assisted auditing techniques in the engagement.
- d. Approach to be taken to gain and document an understanding of the CMA's internal control structure.
- e. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- f. Approach to be taken in drawing audit samples for purposes of tests of compliance.

6. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from CMA.

C. Fee Information

Evaluation is to be based on professional qualifications. In addition, we are requesting fee information to be submitted in a separate bound cost proposal, which is intended primarily for information to CMA. Cost will only become a factor in the selection process if, and only if, the review committee determines that there is a tie in their evaluation between two or more firms.

The cost proposal should include the following information:

- The cost to prepare the audit of the Agency's financial statements and footnote disclosures, and the management letter relating to CMA's internal controls;
- The cost to prepare the Federal Single Audit (includes hourly rate of audit manager and staff).

VII. EVALUATION PROCESS

A. Review Committee

CMA will establish an ad hoc review committee to evaluate proposals. The committee will make a recommendation of one firm to the Administration and Legislation Committee for their consideration and approval.

B. Process

All proposals must be submitted to CMA by Friday, April 4, 2003 at noon. Late proposals will not be considered under any circumstances. The review committee will evaluate the proposals, and will make its decision by April 10, 2003. The final selection of the committee will be conveyed to the Administration and Legislation Committee for its meeting of April 14. We would anticipate the Administration and Legislation Committee would review the committee's selection and ranking and forward its recommendation to the CMA Board for its final approval on April 24, 2003.

Evaluation Criteria

All proposals will be evaluated in accord in the following criteria:

1. Meeting minimum proposal requirements
2. Technical qualifications
3. Fee information (only if there is a tie after review of technical qualifications)

VIII. MANNER OF PAYMENT

Progress payments will be made on a time and materials basis during the course of the engagement in accordance with the firm's fee information and out-of-pocket expenses incurred.

IX. GENERAL CONDITIONS

A. Limitations

This RFP does not commit the Alameda County CMA to award a contract or to pay any costs incurred in the preparation of a proposal in response to this RFP.

B. Rejection of Proposals

The Alameda County CMA reserves the right to reject any or all proposals.

C. Award

All finalists may be required to participate in negotiations and to submit such price; technical or other revisions of their proposals as may result from negotiations. Accordingly, each initial proposal should be submitted on the most favorable terms from a price and technical viewpoint.

D. Work Scope Modifications

The Alameda County CMA reserves the right to request changes to the staffing and/or scope of services contained in any of the proposals and to enter negotiations with any of the proposers regarding their submittal.

E. Contract

A sample contract is shown in Appendix D. It is expected that the terms of the contract will be acceptable to the consultant.

F. Non - Discrimination

Contractors shall not discriminate on the basis of race, color, national origin, sex, or physical disability in the performance of CMA contracts.

G. Levine Act

Selected consultants will be required to disclose on the record any contribution of more than \$250.00 which they have made to a CMA Board member within the twelve-month period preceding the submittal deadline of this RFP. This applies to your company, any member of your team, any agents for you or other team members and to the major shareholders of any closed

corporation, which is part of your team. If you have made a contribution which needs to be disclosed you must provide written notice of the date, amount and receipt of the contribution(s) to the CMA Executive Director, Dennis Fay. This information will need to be provided before the CMA can approve any contract.

X. APPENDICES

- A. Organizational chart
- B. FY 2002/03 budget
- C. FY 2001/02 Financial Audit and Single Audit prepared by external auditors
- D. Sample contract
- E. List of firms that received notice of this RFP

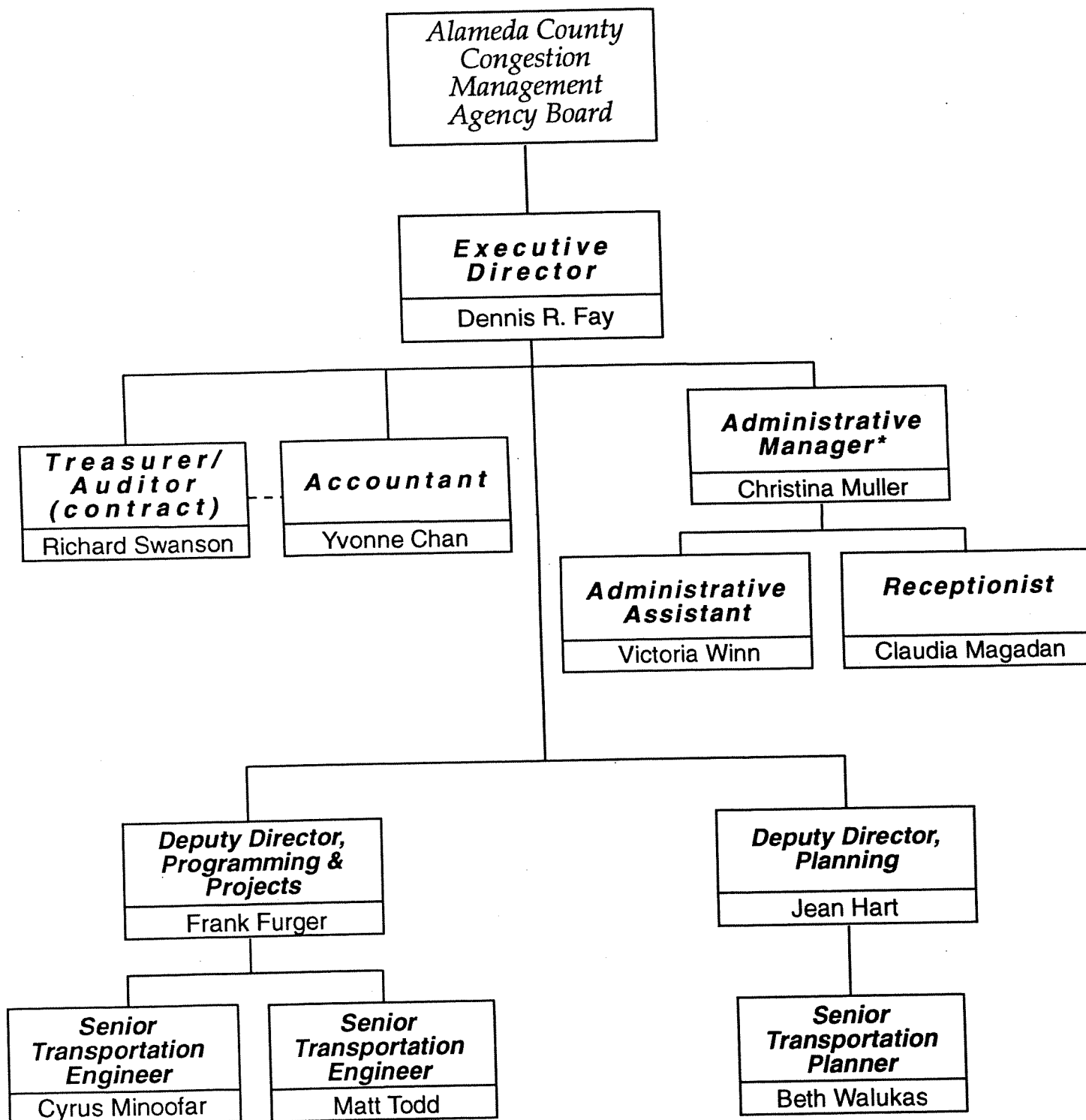
ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

**REQUEST FOR PROPOSALS
for
AUDITING SERVICES**

Appendix A

Alameda County Congestion Management Agency

Chair: Tom Pico, Mayor, City of Pleasanton
Vice-Chair: BART Director Pete Snyder



ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

**REQUEST FOR PROPOSALS
for
AUDITING SERVICES**

Appendix B

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
FY 2003-2004
BUDGET

	Approved 2002/2003 BUDGET	Proposed Revision 2002/2003 BUDGET	Proposed 2003/2004 BUDGET
REVENUE AND BEGINNING BALANCE			
Beginning Balance CMA TIP	\$ 22,666,376	\$ 22,666,376	\$ 26,401,685
Beginning Balance ACCMA General Fund	1,923,662	1,923,662	2,653,941
Cities and County Fees (see page 4 for detail)	736,216	736,216	736,216
MTC (see page 2 for detail)	541,500	551,500	422,500
Caltrans (see page 2 for detail)	15,663,100	10,953,500	18,213,100
Transportation Fund for Clean Air (see page 2 for detail)	220,000	716,400	230,000
CMA TIP Revenue (see page 2 for detail)	1,268,000	1,195,000	1,030,500
AC Transit (see page 2 for detail)	514,000	700,000	50,000
Air District: Regional TFCA Funds (see page 2 for detail)	850,000	786,000	364,000
ACTIA (see page 2 for detail)	2,254,000	1,704,000	3,329,000
Others (see page 2 for detail)	100,000	100,000	200,000
CMA Exchange Program Revenue (see page 2 for detail)	12,430,309	12,430,309	1,896,759
Misc. Revenue	2,871	2,871	2,946
Interest Revenue	625,000	625,000	600,000
Subtotal	\$ 59,795,034	\$ 55,090,834	\$ 56,130,648
*Less CMA Sponsored Exchange Projects	(1,268,000)	(1,195,000)	(1,030,500)
Total Revenue and Beginning Balance	\$ 58,527,034	\$ 53,895,834	\$ 55,100,148
EXPENDITURES			
Salaries	\$ 822,000	\$ 822,000	\$ 865,000
Employee Benefits	210,000	210,000	230,000
Salary Related Expenses (Worker's Comp rate increased)	18,900	18,900	25,000
Board Meeting per diem	50,000	50,000	50,000
Transportation	15,000	15,000	15,000
Travel-Special Events	17,000	17,000	17,000
Training	7,000	7,000	7,000
Office Space	138,000	131,000	133,000
Postage/Reproduction	30,000	30,000	30,000
Office Expenses	80,000	80,000	80,000
Computer Support (network and software services and supplies)	22,000	22,000	25,000
Website Service	8,000	8,000	12,000
Misc. Expenses	6,000	6,000	6,000
Equipment/Office Furniture/Building Improvement	48,700	48,700	15,000
Insurance	7,000	7,000	8,000
Legal Counsel	80,000	80,000	90,000
Temporary Employees	2,000	2,000	2,000
Annual Audit	8,500	8,500	22,000
Treasurer/Auditor	4,000	6,000	8,000
Subtotal	\$ 1,574,100	\$ 1,569,100	\$ 1,640,000
PROFESSIONAL SERVICES AND OTHER			
EDAB Membership	\$ 5,000	\$ 5,000	\$ 5,000
Consultants/Contractors (see page 3 for detail)	20,714,800	15,724,775	22,995,450
CMA TIP (see page 3 for detail)	9,765,000	8,695,000	7,680,500
Sacramento Representative	41,333	41,333	43,000
Subtotal	\$ 30,526,133	\$ 24,466,108	\$ 30,723,950
Total Expenditures, Professional Services and Others	\$ 32,100,233	\$ 26,035,208	\$ 32,363,950
Ending Balance from Operations	\$ 27,694,801	\$ 29,055,626	\$ 23,766,698
Total	\$ 59,795,034	\$ 55,090,834	\$ 56,130,648
**Less CMA Sponsored Exchange Projects	(1,268,000)	(1,195,000)	(1,030,500)
Total Operating Budget, Ending Balance and CMA TIP	\$ 58,527,034	\$ 53,895,834	\$ 55,100,148

Adjustments have been made to avoid double counting:

* The revenue received in the CMA Exchange Program is shown in both the CMA Revenue and CMA Exchange revenue.

** CMA TIP expenses for projects sponsored by the CMA are shown in both the CMA Expenditures, Professional Services and the CMA TIP.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

FY 2003-2004

BUDGET REVENUE

	Approved 2002/2003 BUDGET	Proposed Revision 2002/2003 BUDGET	Proposed 2003/2004 BUDGET
<u>MTC</u>			
TEA 21 Planning Support	\$ 357,500	\$ 357,500	\$ 357,500
Pilot Community Transit Plan	-	10,000	65,000
Value Pricing Study -- I-880 and I-680 Corridors	184,000	184,000	-
Subtotal	\$ 541,500	\$ 551,500	\$ 422,500
<u>ACTIA</u>			
Altamont Commuter Express Operating Cost	\$ 1,664,000	\$ 1,664,000	\$ 1,679,000
4 Capital Improvement on ACE	590,000	40,000	1,650,000
Subtotal	\$ 2,254,000	\$ 1,704,000	\$ 3,329,000
<u>Caltrans</u>			
I-880 SMART Corridor: System Manager/Construction	\$ 752,000	\$ 1,474,000	\$ 1,806,000
San Pablo SMART Corridor: System Manager/Construction	5,000,000	5,078,000	304,600
STIP Project Monitoring & Oversight (PPM)	100,000	100,000	100,000
TEA 21 Grant (ITS): San Pablo SMART Corridor - Bus Arrival System	350,000	300,000	93,000
Video Detection for San Pablo Pavement Rehabilitation	600,000	933,000	100,000
CMAQ: SMART Corridor Operations & Management (Contra Costa)	300,000	300,000	335,000
CMAQ: SMART Corridor Operations & Management (Alameda)	300,000	300,000	338,000
2 I-680 Sound Wall Construction	4,878,000	75,000	9,870,000
2 I-680 North and Southbound Design	2,316,600	572,000	3,908,000
Fairlanes, Dynamic Ridesharing	21,500	21,500	258,500
1 TCRP: I-580 HOV EIR & Project Report	1,045,000	1,800,000	1,100,000
Subtotal	\$ 15,663,100	\$ 10,953,500	\$ 18,213,100
<u>Transportation Fund for Clean Air (TFCA): CMA Program Manager Funds</u>			
Administration Revenue	\$ 130,000	\$ 130,000	\$ 130,000
3 SMART Corridor	-	250,000	-
3 Pole Replacement on San Pablo	-	220,000	-
Guaranteed Ride Home Program	90,000	116,400	100,000
Subtotal	\$ 220,000	\$ 716,400	\$ 230,000
<u>CMA TIP Revenue</u>			
North I-880 Operation & Safety Study	\$ 440,000	\$ 440,000	\$ -
North I-880 Project Study Report	100,000	100,000	200,000
San Pablo SMART Corridor: Transit Priority & Video Detection Installation	403,000	327,000	456,000
STIP Project Monitoring & Oversight	250,000	250,000	250,000
Fair Lanes, Dynamic Ridesharing	-	3,000	49,500
CMA TIP Administration	75,000	75,000	75,000
Subtotal	\$ 1,268,000	\$ 1,195,000	\$ 1,030,500
<u>Air District (TFCA Funds): SMART Corridor</u>			
San Pablo SMART Corridor: Traffic Detection	\$ 250,000	\$ 250,000	\$ -
San Pablo SMART Corridor: Transit Priority	400,000	400,000	100,000
5 East 14th / Int'l Blvd -Transit Signal Priority	200,000	136,000	264,000
Subtotal	\$ 850,000	\$ 786,000	\$ 364,000
<u>AC TRANSIT</u>			
6 Transit Priority-San Pablo	\$ 514,000	\$ 700,000	\$ 50,000
<u>OTHERS</u>			
City of Oakland (North I-880 Project Study Report)	\$ 33,000	\$ 33,000	\$ 67,000
Port of Oakland (North I-880 Project Study Report)	67,000	67,000	133,000
Subtotal	\$ 100,000	\$ 100,000	\$ 200,000
<u>CMA Exchange Program</u>			
<u>Sponsor/Project</u>			
AC Transit / Bus Rehabilitation Project	\$ 3,151,953	\$ 3,151,953	\$ -
BART / Seismic Retrofit of Alameda Co. Facilities - Construction Phase	3,368,556	3,368,556	296,759
Livermore / Isabel Route 84/I-580 Interchange - Phase I - Environ. Prelim.	2,650,000	2,650,000	1,600,000
Dublin / I-580/Tassajara Rd & I-580/Fallon Rd. Interchg Impr.-Constr Phas	3,259,800	3,259,800	-
Total CMA Exchange Program Revenue	\$ 12,430,309	\$ 12,430,309	\$ 1,896,759

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

FY 2003-2004

BUDGET EXPENDITURES

<i>CONSULTANT/CONTRACTOR DETAIL</i>	Approved 2002/2003 BUDGET	Proposed Revision 2002/2003 BUDGET	Proposed 2003/2004 BUDGET
Consultants: General	\$ 73,000	\$ 73,000	\$ 70,000
Consultants: TFCA Administration	80,000	80,000	50,000
Disadvantaged Business Enterprise Consultant	50,000	50,000	50,000
Professional Modeling Services	55,000	55,000	55,000
Level of Service Monitoring	17,000	17,000	23,000
Model update for 2000 Census	-	-	100,000
Guaranteed Ride Home	109,000	109,000	92,500
Value Pricing - I-880 and I-680 Corridors	184,000	184,000	-
1 I-580 HOV EIR & Project Report	1,000,000	1,700,000	1,000,000
I-880 SMART Corridor: System Manager/Construction	692,000	1,434,000	1,786,000
5 East 14th/International Blvd. Transit Priority	200,000	136,000	264,000
San Pablo SMART Corridor: System Manager/Construction	4,940,000	5,038,000	294,600
San Pablo SMART Corridor: Transit Priority	400,000	400,000	100,000
San Pablo SMART Corridor: Traffic Detection	250,000	250,000	-
3 Pole Replacement on San Pablo	-	220,000	-
San Pablo SMART Corridor: Bus Arrival Information System	350,000	300,000	93,000
2 I-680 Sound Wall Construction	4,860,000	60,000	9,750,000
2 I-680 North and Southbound Design	2,299,800	552,000	3,818,000
SMART Corridors Operations & Management (Contra Costa)	270,000	270,000	270,000
SMART Corridors Operations & Management (Alameda)	270,000	270,000	270,000
Video Detection for San Pablo Pavement Rehabilitation	600,000	933,000	100,000
Altamont Commuter Express Operating Cost	1,664,000	1,664,000	1,679,000
4 Capital Improvement on ACE	590,000	40,000	1,650,000
San Pablo SMART Corridor: Transit Priority & Video Detection Installation	403,000	327,000	456,000
North I-880 Operation & Safety Study	370,000	370,000	-
6 Transit Priority/AC Transit	474,000	670,000	30,000
Pilot Community Transit Plan	-	9,500	61,750
Fairlanes, Dynamic Ridesharing	24,000	23,275	292,600
North I-880 Project Study Report	190,000	190,000	390,000
STIP Project Monitoring & Oversight (PPM)	300,000	300,000	250,000
SUBTOTAL	\$ 20,714,800	\$ 15,724,775	\$ 22,995,450
 CMA TIP EXPENSE			
North I-880 Operation & Safety Study	\$ 440,000	\$ 440,000	\$ -
San Pablo SMART Corridor: Transit Priority & Video Detection Installation	403,000	327,000	456,000
STIP Project Monitoring & Oversight	250,000	250,000	250,000
North I-880 Project Study Report	100,000	100,000	200,000
Fair Lanes, Dynamic Ridesharing	-	3,000	49,500
CMA TIP Administration	75,000	75,000	75,000
Total CMA Sponsored Projects	\$ 1,268,000	\$ 1,195,000	\$ 1,030,500
<i>Projects by Others</i>	8,497,000	7,500,000	6,650,000
TOTAL CMA TIP EXPENSE	\$ 9,765,000	\$ 8,695,000	\$ 7,680,500

Footnotes:

- 1 Funding maybe impacted due to State budget crisis.
- 2 Implementation of project delayed due to State Highway Account Shortfall.
- 3 New project.
- 4 Reduction is the result of alternative agreement with ACE on funding of maintenance facility.
- 5 Based on the construction schedule, it appears less work will be completed in 2003 than previously anticipated.
- 6 More of the AC Transit project, including the addition of the queue jamper lane, is expected to be completed in 2003.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

FY 2003-2004

BUDGET

CITIES/COUNTY	Total Fuel Tax Subventions*		Proposition 111 Subventions* (S & H Code Section 2105)					
	2002/03	2002/03	Percent	FY 00/01 Fees	FY 01/02 Fees	FY 02/03 Fees	FY 03/04 Fees	
City of Alameda	\$ 1,368,785	\$ 458,336	3.07%	\$ 24,441	\$ 22,535	\$ 22,584	\$ 22,584	
City of Albany	313,876	103,081	0.69%	5,374	5,128	5,079	5,079	
City of Berkeley	1,919,513	643,573	4.31%	32,938	32,042	31,712	31,712	
City of Dublin	605,755	201,026	1.35%	8,682	9,347	9,905	9,905	
City of Emeryville	140,003	45,007	0.30%	2,201	2,146	2,218	2,218	
City of Fremont	3,799,146	1,278,673	8.56%	61,566	63,437	63,006	63,006	
City of Hayward	2,645,917	889,014	5.95%	38,624	43,670	43,806	43,806	
City of Livermore	1,386,358	464,273	3.11%	22,268	22,873	22,877	22,877	
City of Newark	805,796	268,617	1.80%	12,933	13,245	13,236	13,236	
City of Oakland	7,491,298	2,526,194	16.91%	120,947	124,583	124,477	124,477	
City of Piedmont	210,143	68,369	0.46%	3,503	3,416	3,369	3,369	
City of Pleasanton	1,208,383	404,138	2.70%	19,432	19,851	19,914	19,914	
City of San Leandro	1,493,128	500,349	3.35%	22,796	24,778	24,654	24,654	
City of Union City	1,266,965	423,932	2.84%	19,779	20,854	20,889	20,889	
Alameda County	21,145,363	6,666,573	44.62%	315,835	328,311	328,491	328,491	
	\$ 45,800,429	\$ 14,941,155	100.00%	\$ 711,319	\$ 736,216	\$ 736,216	\$ 736,216	
Percent of Prop 111 Funds				4.85%	5.02%	4.93%	4.93%	
Percent of Total Fuel Tax Subventions				1.55%	1.61%	1.61%	1.61%	

* Estimate by State Department of Finance (DOF).

History of City/County Fees		
Fiscal Year	Fees	% Change
1991-92	\$ 1,132,953.00	N/A
1992-93	831,241.00	-26.63%
1993-94	639,084.00	-23.12%
1994-95	581,195.00	-9.06%
1995-96	581,327.00	0.02%
1996-97	599,880.00	3.19%
1997-98	631,858.00	5.33%
1998-99	656,438.00	3.89%
1999-00	704,417.00	7.31%
2000-01	711,320.00	0.98%
2001-02	736,216.00	3.50%
2002-03	736,216.00	0.00%
2003-04	736,216.00	0.00%

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

**REQUEST FOR PROPOSALS
for
AUDITING SERVICES**

Appendix C

**ALAMEDA COUNTY CONGESTION MANAGEMENT
AGENCY**

**Financial Statements and Independent Auditor's Report for the
Year ended June 30, 2002**

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Alameda County Congestion Management Agency
Oakland, California

I have audited the accompanying financial statements of the Alameda County Congestion Management Agency as of and for the year ended June 30, 2002. These financial statements are the responsibility of the Alameda County Congestion Management Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

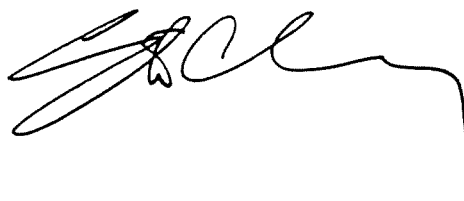
I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alameda County Congestion Management Agency as of June 30, 2002, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 27, 2002 on my consideration of the Agency's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the financial statements of Alameda County Congestion Management Agency. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements of Alameda County Congestion Management Agency. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

September 27, 2002



ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
BALANCE SHEET
June 30, 2002

	<u>General Fund</u>	<u>General Fixed Asset Account Group</u>	<u>Total (Memorandum only)</u>
ASSETS			
Cash	\$ 24,590,237	\$ -	\$ 24,590,237
Accounts Receivable	730,732	-	730,732
Prepaid Expense	1,405	-	1,405
Property and Equipment	-	304,986	304,986
	<u>-</u>	<u>304,986</u>	<u>304,986</u>
Total Assets	<u><u>\$ 25,322,374</u></u>	<u><u>\$ 304,986</u></u>	<u><u>\$ 25,627,360</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 1,778,057	\$ -	\$ 1,778,057
Accrued Liabilities	59,349	-	59,349
Deferred Revenue	22,063,945	-	22,063,945
Other Lease Liabilities	21,410	-	21,410
	<u>21,410</u>	<u>-</u>	<u>21,410</u>
Total Liabilities	23,922,761	-	23,922,761
Unreserved	1,399,613	-	1,399,613
Investment in Fixed Assets	-	304,986	304,986
	<u>-</u>	<u>304,986</u>	<u>304,986</u>
Total Liabilities and Fund Balance	<u><u>\$ 25,322,374</u></u>	<u><u>\$ 304,986</u></u>	<u><u>\$ 25,627,360</u></u>

The accompanying notes are an integral part of the financial statements.

**ALEMEDA COUNTY CONGESTION MANAGEMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES & CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>2002</u>
REVENUES	
Grants:	
Metropolitan Transportation Commission	\$ 1,413,052
Caltrans	2,857,300
Transportation Fund for Clean Air (TFCA) - CMA Program Manager Funds	1,130,979
Air District (Regional TFCA Funds)	65,427
Revenue from Jurisdiction	736,214
Revenue from Exchange Fund	1,140,453
Interest Income	229,429
Other Income	10,567
ACTIA	585,255
Total Revenues:	<u>8,168,676</u>
EXPENSES	
Operating:	
Personnel services	1,065,331
Contract services	6,610,975
Professional services	125,953
Utilities	5,450
Travel & meetings	24,552
Rent & lease	113,830
Printing and publications	31,647
Insurance	18,321
Capital Expenditures	64,702
Advertising	5,114
Equipment	98,758
Office Expense	84,881
Operating Cost Reimbursement - ACE	219,817
Others	5,349
Tax & license	2,918
EDBA membership	5,000
Total Expenses:	<u>8,482,598</u>
Excess of Expenses Over Revenues	(313,922)
Fund Balance, Beginning of year	<u>1,713,535</u>
Fund Balance, End of year	<u><u>\$ 1,399,613</u></u>

The accompanying notes are an integral part of the financial statements.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
STATEMENTS OF CASH FLOWS
June 30, 2002

Cash Flows from Operating Activities	
Excess of Expenses Over Revenues	\$ (313,922)
Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	(293,279)
(Increase) Decrease in Prepaid Expenses	13,391
Increase (Decrease) in Accounts Payable	982,655
Increase (Decrease) in Accrued Compensation	(6,041)
Increase (Decrease) in Deferred Revenue	22,063,945
Increase (Decrease) in Other Liabilities	<u>21,410</u>
Net Cash Provided (Used) by Operating Activities	<u>22,468,159</u>
Cash Flows from Financing Activities	
Net Cash Provided by Financing Activities	<u>-</u>
Cash Flows from Investing Activities	
Net Cash Used by Investing Activities	<u>-</u>
Total Increase (Decrease) in Cash	22,468,159
Cash, Beginning of the Year	<u>2,122,078</u>
Cash, End of the Year	<u><u>\$ 24,590,237</u></u>

The accompanying notes are an integral part of the financial statements.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – REPORTING ENTITY

In the June 1990 election, California voters approved a fuel tax increase as part of Propositions 111 and 108. These propositions provide a share of the new fuel tax revenues to local governments. To receive these funds, local governments must conform to a Congestion Management Program. The Alameda County Congestion Management Agency (CMA) was created by a Joint Powers Agreement (JPA) dated February 20, 1991 between Alameda County, all cities in the County and four transit operators. The CMA is responsible for preparing, adopting, revising, amending, administering, and implementing the Congestion Management Program for Alameda County pursuant to Section 65088 at seq. of the Government Code, and providing other transportation planning and programming functions. The JPA provides for the sharing of the costs of the CMA among the cities and the County.

NOTE 2 - BASIS OF ACCOUNTING

Alameda County Congestion Management Agency's accounting records are maintained on a cash basis. Adjustments are made at year-end to present the financial statements on a modified accrual basis of accounting.

The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectible within the current period or soon thereafter to pay current liabilities. In addition, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.

The accounts of the Alameda Congestion Management Agency are organized into funds and account groups, each of which is considered to be a separate accounting entity. The major fund categories and account groups are:

Governmental Fund Types

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included in their balance sheets. Their operating statements present sources and uses of available resources during a given period.

Proprietary Fund Types

Proprietary funds use the economic resources measurement focus. The accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 2 - BASIS OF ACCOUNTING - (continued)

Account Groups

The account groups are used to account for fixed assets and long-term liabilities, which are not reported, in the respective governmental funds.

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds. Capital outlays in funds other than Proprietary Funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded for control purposes in the General Fixed Assets Account Group.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments are stated at fair value. Included in investment income is the net change in the fair value of investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments.

Measurement of the fair value of investments is based upon quoted market prices, if available. The estimated fair value of investments that have no quoted market price is determined based on equivalent yields for such securities or for securities of comparable maturity, quality, and type as obtained from market makers. Measurement of the fair value of real estate investments is estimated by the investment managers and reflects both internal and independent appraisals of real estate properties.

The Agency participates in the State Treasurer's Investment Pool with certain external participants. Oversight of the pool is provided by the Pooled Money Investment Board consisting of the Treasurer, Controller and Director of Finance for the State of California. The Agency's position in the pool is equal to the value of the pool shares. The income from the pooled investments is allocated between the individual funds and external participants based on the daily cash balance maintained by each individual fund and external participant in relation to the total pooled investments of those funds and external participants.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 2 - BASIS OF ACCOUNTING - (continued)

TOTAL COLUMNS (MEMORANDUM ONLY)

Total columns on the combined statements are captioned "memo only" to indicate that they are presented only to aid in financial analysis.

NOTE 3 - PROPERTY AND EQUIPMENT

Property & Equipment costing \$500 or more are recorded in the General Fixed Assets Account Group at historical cost. Fixed assets are recorded in the fixed assets account group and are not depreciated. Fixed assets consist of office furniture, equipment, software improvement and automobile, and are detailed as follows:

	<u>Balance as of 7/1/01</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance as of 6/30/02</u>
Equipments	\$ 195,210	\$ -	\$ 54,609	\$ 140,601
Office Furnitures	3,468	-	-	3,468
Building Improvements	22,956	107,638	-	130,594
Automobile	<u>31,016</u>	<u>30,323</u>	<u>31,016</u>	<u>30,323</u>
	<u>\$ 252,650</u>	<u>\$ 137,961</u>	<u>\$ 85,625</u>	<u>\$ 304,986</u>

NOTE 4 - EMPLOYEE RETIREMENT PLAN

Plan Description and Provisions

Alameda County Congestion Management Agency contributes to the California Public Employees' Retirement System (PERS), an agent multiple employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute. Copies of PERS' annual financial report may be obtained from its Executive Office at 400 P Street Sacramento, CA 95814.

Funding Policy

Active employees are required to contribute to PERS 7% of their annual covered salary. The agency makes the contributions required of the agency employees on their behalf to their account. The Alameda County Congestion Management Agency is required to contribute at an actuarially determined rate; the contribution rate for fiscal year ended June 30, 2002 is 6.166% for the employees of annual covered payroll. The contribution requirements of plan members and the agency are established and may be amended by PERS.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 4 - EMPLOYEE RETIREMENT PLAN (continued)

Annual Pension Cost

For the fiscal year-ended June 30, 2002 Alameda County Congestion Management Agency's annual pension cost of \$ 46,862 for PERS was equal to 74% of the Alameda County Congestion Management Agency's required and actual contributions. The required contribution was determined as part of the June 30, 2001 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% investment rate of return (b) 3.5% inflation rate, (c) 3.5% across the board increase and merit increases that vary by length of service. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. PERS' funded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at June 30, 2001 was 10 years.

The following presents PERS information for fiscal years 1998 through 2000 based on the actuarial valuation performed as of June 30, 2002 (the latest available date):

THREE YEAR TREND INFORMATION FOR PERS

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/99	\$59,093	100%	-
6/30/00	\$63,558	100%	-
6/30/01	\$12,866	100%	-

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress Status

	(A)	(B)	(C)	(D)	(E)	(F)
<u>Actuarial Valuation Date</u>	<u>Actuarial value of assets</u>	<u>Entry age normal accrued Liability</u>	<u>Unfunded/ Actuarial Accrued Liability [(B) - (A)]</u>	<u>Funded ratio (A) - (B)]</u>	<u>Covered payroll</u>	<u>Unfunded Actuarial Liability as of Percentage of Covered Payroll {[(B) - (A)]/(E)}</u>
6/30/99	632,679	508,851	(123,828)	124.3%	575,154	(21.5%)
6/30/00	802,666	633,382	(169,284)	126.7%	646,056	(26.2%)
6/30/01	940,157	741,150	(199,000)	129.9%	712,987	(27.9%)

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 5 - CASH AND INVESTMENTS

Amounts are only invested in:

1. The State of California Local Agency Investment Fund ("LAIF").
2. Deposits with banks and savings and loan associations wherein the deposits are subject to insurance pursuant to Federal Deposit Insurance Corporation ("FDIC") or LAIF provisions, and/or deposits at those institutions in excess of that insurance provided that said deposits shall be fully collateralized as defined in Section 53652 of the California Government Code.

State and local statutes authorize the Agency to invest in obligations of the U.S. Treasury and other U.S. agencies, bankers' acceptances, money market funds and the State Treasurer's investment pool. As of June 30, 2002, the cash and investment is as follows:

General cash with bank	\$ 706,728
Money Market	260,696
State Treasurer's Investment	
Pool (LAIF)	<u>23,622,814</u>
	<u>\$ 24,590,238</u>

NOTE 6 - CAPITAL PURCHASE / LEASE

The organization is obligated under a seven-year operating lease for the premises located at 1333 Broadway, Oakland. The original term under the lease was from September 1, 1999 to August 31, 2004. The modified term of the lease under the Third Amendment to Lease is from March 1, 2002 to February 28, 2009. In addition, CMA also leased additional space from March 1, 2002 to February 28, 2009.

The total five minimum rental commitments at June 30, 2002 for the above lease is due as follows:

Year ended June 30

2003	\$ 131,308
2004	134,836
2005	157,212
2006	185,461
2007	<u>191,020</u>
	<u>\$ 799,837</u>

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 6 – CAPITAL PURCHASE / LEASE (continued)

On May 2001, CMA traded in their 1997 vehicle for another vehicle which was purchased. The previously purchased vehicle is under CMA's title with a net trade in credit of \$ 5,955 from the vehicle. This owned vehicle will be accounted for as part of the fixed assets account group and the corresponding liability as of June 30, 2002 is \$21,410 with an interest rate of 7.9%. The future payment for this vehicle is as follows:

<u>Fiscal Year</u>	<u>Total Monthly Payment With Interest</u>
2002/2003	\$ 5,876
2003/2004	5,876
2004/2005	5,876
2005/2006	<u>3,782</u>
	<u>\$ 21,410</u>

NOTE 7- DEFERRED REVENUE

During fiscal year 2001/2002, the Agency entered into agreements with several local agencies to exchange State STIP funds with their local funding for various transportation projects. The revenues received by the Agency as a result of the exchange are treated for financial reporting purposes as "deferred revenue". These deferred revenues will be recognized as current revenues once the qualifying expenditure are incurred. The following list identifies the funds exchanged and received from three agencies:

<u>Fund Received as of June 30, 2002</u>	
AC Transit	\$ 16,908,840
BART	4,098,658
City of Fremont	<u>2,196,900</u>
	\$ 23,204,398
Total Received:	
Total Expenditures Incurred during Fiscal Year 2001/2002	<u>(1,140,453)</u>
Total Deferred:	<u>\$ 22,063,945</u>

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
Alameda County Congestion Management Agency
Oakland, California

I have audited the financial statements of Alameda County Congestion Management Agency as of and for the year ended June 30, 2002, and have issued my report thereon dated September 27, 2002. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Alameda County Congestion Management Agency's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Alameda County Congestion Management Agency's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level. In this case, a risk in misstatement material amounts in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to be "J. C. E.", with a long horizontal line extending to the right and a small vertical line at the end.

September 27, 2002

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Directors
Alameda County Congestion Management Agency
Oakland, California

Compliance

I have audited the Alameda County Congestion Management Agency according to the compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. Alameda County Congestion Management Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Alameda County Congestion Management Agency's management. My responsibility is to express an opinion on Alameda County Congestion Management Agency's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Alameda County Congestion Management Agency's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Alameda County Congestion Management Agency's compliance with those requirements.

In my opinion, Alameda County Congestion Management Agency complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

The management of Alameda County Congestion Management Agency is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Alameda County Congestion Management Agency's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level. In this case, the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

September 27, 2002

A handwritten signature in black ink, appearing to be "J. C. C.", with a long horizontal line extending to the right.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002**

<u>Federal Grantor/ Pass-through Grantor/Program Title</u>	<u>Federal Catalogue Number (CFDA Number)</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation</u>		
Federal STP Program – STIP Monitoring	20.205	\$ 100,000
Federal STP Program – San Pablo Smart corridor Federal Funding	20.205	674,197
Federal STP Program – I-880 Smart Corridor	20.205	555,508
Federal STP Program – Smart Corridor O&M Contra Costa	20.205	148,528
Federal STP Program – Smart Corridor O&M Alameda	20.205	168,385
Federal STP Program – Pass through from MTC	20.205	722,555
<u>State</u>		
I-580 Strategic Opportunities Assessments	N/A	<u>1,131,556</u>
		<u>\$ 3,500,729</u>

**Schedule of Findings, Questioned Costs, and Corrective Action Plan –
Prior Year Findings and Current Status**

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
SCHEDULE OF AUDITORS' RESULTS, FINDINGS, AND QUESTIONED COSTS
JUNE 30, 2002**

(1) Summary of Auditors' Results

- (a) The type of report issued on the general purpose financial statements: Unqualified opinion
- (b) Reportable conditions in internal control were disclosed by the audit of the general purpose financial statements: No Material Weaknesses: No
- (c) Noncompliance which is material to the general purpose financial statements: No
- (d) Reportable conditions in internal control over major programs: No
- (e) The type of report issued on compliance for major programs: Unqualified
- (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: No
- (g) Major programs: Federal STP Program (CFDA# 20.205) \$ 3,500,729
- (h) Dollar threshold used to distinguish between Type A and Type B programs: N/A
- (i) Auditee qualified as a low-risk auditee under Sections 530 of OMB Circular A-133: Yes

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*: No findings or questioned costs.

(3) Findings and Questioned Costs Relating to Federal Awards: None

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
STATUS OF PRIOR YEAR FINDINGS

There were no findings in the prior year.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
FINDINGS AND RECOMMENDATIONS
JUNE 30, 2002**

There were no findings in the current year.

Supplementary Information

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2002**

REVENUES

Grants:

Metropolitan Transportation Commission:	
I-680 Corridor HOV Lane Project	\$ 700,497
ACE Turnback Train	329,725
TEA 21 Planning Support	357,500
Value Pricing Study - I-880 & I-680 Corridors	25,330
Subtotal	<u>1,413,052</u>

Caltrans:

STIP Project Monitoring & Oversight (PPM)	100,000
I-880 SMART Corridor	562,209
San Pablo SMART Corridor	918,486
1-580 Strategic	1,131,556
San Pablo SMART Corridors Operations & Management (Alameda)	145,049
Subtotal	<u>2,857,300</u>

Transportation Fund for Clean Air (TFCA) - CMA Program Manager Funds:

Administration Revenue	153,822
Program (Revenue)	977,157
Subtotal	<u>1,130,979</u>

ACTIA - 585,255

Air District (Regional TFCA Funds):

Hesperian Transit Priority 65,427

Revenue from Jurisdictions	736,214
Revenue from Exchange Fund	1,140,453
Interest	229,429
Other Income	10,567
	<u>8,168,676</u>

Total Revenues

The accompanying notes are an integral part of the financial statements.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
(Continued)
FOR THE YEAR ENDED JUNE 30, 2002

EXPENDITURES	
Salaries	808,583
Benefits	197,983
Salary Related Expenses	15,866
Board Member Compensation	42,899
Transportation	8,740
Travel	6,774
Training	9,038
Office Space	104,325
Telephone	5,450
Office Expenses	78,679
Website Service	6,202
Dues & Subscriptions	1,773
Reproduction/Postage	31,647
Miscellaneous Expenses	3,576
Equipment	98,758
Capital Expenditures	(26,629)
Capital Expenditures - Jobs Only	61,008
Capital Expenditures - Auto	30,323
Insurance	7,191
Advertising	5,114
Legal Counsel	111,514
Equipment Rental	9,505
Annual Audit	8,500
Professional Service - Accounting	5,939
Insurance - Worker's Comp.	11,130
General Consulting	2,877,321
Consulting MTC Program	7,831
Consulting for CALTRANS Program	1,659,748
TFCA	883,274
CMA - TIP	1,140,453
Sacramento Representative	42,348
Operating Cost Reimbursement - ACE	219,817
License, Tax & Fees	2,918
EDBA Membership	5,000
Total Expenditures	<u>8,482,598</u>
Excess of Expenditures over Revenue	(313,922)
Fund Balance, Beginning of Year	<u>1,713,535</u>
Fund Balanced, End of Year	<u><u>\$ 1,399,613</u></u>

The accompanying notes are an integral part of the financial statements.

**ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
COMPARISON OF BUDGET TO ACTUAL OPERATING EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

	Budget	Actual	Favorable (Unfavorable) Variance
Salaries	\$ 782,556	\$ 808,583	\$ (26,027)
Benefits	188,747	209,113	(20,366)
Salary Related Expenses	18,000	15,866	2,134
Board Member Compensation	45,000	42,899	2,101
Transportation	14,400	8,740	5,660
Travel	17,000	6,774	10,226
Training	7,000	9,038	(2,038)
Office Space	110,000	104,325	5,675
Postage/ Reproduction	27,000	31,647	(4,647)
Office Expenses	70,000	100,521	(30,521)
Website Service	8,000	6,202	1,798
Miscellaneous Expenses	6,900	3,576	3,324
Equipment/Furnitures/Building Improvements	64,900	163,460	(98,560)
Insurance	7,000	7,191	(191)
Legal Counsel	95,000	74,651	20,349
Temporary Employees	2,000	-	2,000
Annual Audit	8,500	8,500	-
Treasurer	4,000	5,939	(1,939)
Consulting and Other	10,275,090	6,875,573	3,399,517
	<u>\$ 11,751,093</u>	<u>\$ 8,482,598</u>	<u>\$ 3,268,495</u>

The accompanying notes are an integral part of the financial statements.

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

**REQUEST FOR PROPOSALS
for
AUDITING SERVICES**

Appendix D

AGREEMENT
between the
ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
and

This AGREEMENT is made and entered into as of the latest date appearing on the signature page below, by and between the ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY, a joint powers agency (“CMA”) and _____ [a _____(state)_____ corporation] [a _____(state)_____ partnership] [a _____(state)_____ limited liability company] [a sole proprietorship], with a place of business at _____, _____(City)_____, CA, (“CONSULTANT”).

RECITALS

WHEREAS, CMA has defined and developed the _____
_____[describe
project] (“PROJECT”);

WHEREAS, CMA desires to secure [professional services / describe] necessary for said PROJECT; and

WHEREAS, CONSULTANT represents that it possesses the professional qualifications and expertise to provide such services;

NOW, THEREFORE, it is mutually agreed by and between the parties as follows:

CMA hereby contracts with CONSULTANT and CONSULTANT hereby accepts such contract to perform the services upon the terms and subject to the conditions and in consideration of the payments set forth in this AGREEMENT. CONSULTANT promises, covenants and agrees to diligently pursue the work to completion in accordance with the schedule and under the terms and conditions set forth herein.

ARTICLE I

A. GENERAL.

1. **The “PROJECT,”** which is the subject of this AGREEMENT is more particularly described in Appendix A, “Detailed Scope of Work,” attached hereto.

2. **Scope of Services.** Except as may be specified elsewhere in the AGREEMENT, CONSULTANT shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to satisfactorily complete the work in Appendix A, which is attached hereto and incorporated herein by reference and as further defined in Appendix D, “Project Cost Proposal” which is attached hereto and incorporated herein by reference.

3. **CMA’s Representative.** CMA hereby designates its Executive Director to be its representative in administering all matters relative to the AGREEMENT. CMA’s Representative may delegate authority for specific matters to other staff members or other consultants.

4. **CONSULTANT’s Representative.** CONSULTANT hereby designates _____ to represent CONSULTANT with full authority under the AGREEMENT.

5. **CONSULTANT’s Identity and Personnel.** _____ will be the key person for the performance of services under this AGREEMENT.

CONSULTANT is the prime consultant heading a team that includes multiple subconsultant firms. The identity of the firms, their respective areas of responsibility and the key personnel who will work on the PROJECT are identified on Appendix B, “Key Project Personnel,” attached hereto. Any significant change in responsibilities among such firms, any addition or deletion of a firm (whether working as a joint venture partner or subconsultant), and any change in key personnel may be made only upon prior written approval by CMA.

CONSULTANT and its subconsultants shall notify CMA of any proposed change of ownership or fundamental structure, respectively, in CONSULTANT’s firm or any subconsultants’ firm. Within 30 days of such notice, CMA shall notify CONSULTANT whether CMA will approve such changed firm to continue providing services under this AGREEMENT or whether CMA will terminate this AGREEMENT or require a substitution of a subconsultant firm. Nothing in this

provision shall be construed to limit CMA's right to terminate this AGREEMENT for cause or without cause as set forth in **Article I, Section B** of this AGREEMENT.

Subcontracts between CONSULTANT and other team member firms and between team member firms and other lower tier subconsultants will be subject to review and approval of CMA's representative.

6. Preliminary Review of Work. Where CONSULTANT is required to prepare and submit reports, working papers, etc. to CMA as products of the work described in the Scope of Work, these shall be submitted in draft form, and CMA shall have the opportunity to direct revisions prior to formal submission by CONSULTANT.

7. Appearance at Hearings. If and when required by CMA, CONSULTANT shall render assistance at public meetings and hearings to perform its services under the AGREEMENT as may be deemed necessary by CMA.

8. Responsibility of CONSULTANT. CONSULTANT shall be responsible for the professional quality, technical accuracy and the coordination of the services furnished by it under the AGREEMENT. Neither CMA's review, acceptance, nor payment for any of the services required under the AGREEMENT shall be construed to operate as a waiver of any rights under the AGREEMENT or of any cause of action arising out of the performance of the AGREEMENT, and CONSULTANT shall be and remain liable to CMA in accordance with applicable law for all damages to CMA caused by CONSULTANT's negligent performance of any of the services furnished under the AGREEMENT.

9. Inspection of Work. It is understood that authorized representatives of CMA may inspect or review CONSULTANT's work in progress at any reasonable time.

10. Suspension, Delay or Interruption of Work. CMA may suspend, delay, or interrupt the services of CONSULTANT for the convenience of CMA. In the event of such suspension, delay, or interruption by CMA or of Excusable Delays as defined in **Article II, Section C**, equitable adjustment will be made in the PROJECT schedule, commitment and cost of CONSULTANT's personnel and subconsultants, and CONSULTANT's compensation.

11. No Third Party Beneficiaries. This AGREEMENT gives no rights or benefits to anyone other than CMA and CONSULTANT and has no third-party beneficiaries.

12. Legal Action. All legal actions by either party against the other arising from this AGREEMENT, or for the failure to perform in accordance with the applicable standard of care, or any other cause of action, will be subject to the statutes of limitation of the State of California.

13. Survival of Indemnities. Notwithstanding the termination of this AGREEMENT and/or the breach of contract or warranty, fault, tort (including but not limited to torts based on negligence, statute or strict liability), CONSULTANT's obligations of indemnity set forth in **Article I, Section F** and any releases, limitations on indemnity, and any and all limitations on any remedies herein shall survive termination of this AGREEMENT for any cause, and **Article I, Section A, paragraph 8** and **Article I, Section F** of this AGREEMENT shall take precedence over any conflicting provision of this AGREEMENT or any document incorporated into it or referenced by it.

14. Jurisdiction. The laws of the State of California will govern the validity of this AGREEMENT, its interpretation and performance, and any other claims related to it.

15. Severability and Survival. If any of the provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this AGREEMENT will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

16. Arbitration. All claims, counterclaims, disputes, and other matters in question arising out of, or relating to, this AGREEMENT or the breach thereof shall be resolved by final, binding arbitration, conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the date of execution of this AGREEMENT, except that the parties may mutually agree to a different alternative dispute resolution mechanism by jointly executing an agreement in writing describing such alternative mechanism. Demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. A demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. If either party refuses or fails to participate in naming an arbitrator or in the arbitration itself, the arbitrator named by the American Arbitration Association or the other party is hereby authorized to decide the dispute based upon the information presented to him/her. All statutes of limitation that would otherwise

be applicable shall apply to any arbitration proceeding hereunder. In any arbitration proceeding hereunder, any arbitrator shall have substantial training and professional experience in the subject matter of the arbitration, but shall not have been employed by a party for at least five (5) years prior to the arbitration proceeding. No person shall be chosen as an arbitrator who has at any time been an employee or consultant of either party. All arbitration hearings shall be held at a mutually agreeable time and location within the City of Oakland, California, unless otherwise agreed by the parties. The decision of the arbitrator shall be final, conclusive and binding on the parties, absent fraud or gross error. The decision of the arbitrator may be entered as a judgment in a court of competent jurisdiction. The parties shall each be responsible for one-half of the arbitrator's fees and expenses. Any attorney-client privilege and other protections against disclosure of confidential information, including any protection afforded by the work product privilege for attorneys that could otherwise be claimed by a party shall be available to and may be claimed by such party in any arbitration proceeding hereunder. Neither party waives any attorney-client privilege or any other privilege against disclosure of confidential information by reason of anything contained in or done pursuant to or in connection with this **paragraph 16**. All arbitration proceedings hereunder may be reported by a certified shorthand court reporter.

17. Attorneys' Fees. Should it become necessary to enforce the terms of this AGREEMENT, the prevailing party as determined by a court or an arbitrator shall be entitled to recover reasonable expenses and attorneys' fees from the other party.

18. Final Acceptance. When CMA determines in its reasonable discretion that CONSULTANT has satisfactorily completed the Scope of Services, CMA shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination when, in its opinion, it has satisfactorily completed the Scope of Services, and if so requested, CMA shall make this determination within three weeks of such request.

19. Term. The term of the AGREEMENT shall be from the date of Notice to Proceed with the services until the completion of the PROJECT pursuant to the Schedule of Work, to the satisfaction of CMA as evidenced by the Notice of Final Acceptance unless terminated earlier pursuant to **Article I, Section B**, below.

20. Subcontracts. Subcontracts between CONSULTANT and other team firms and between team members firm and other lower tier subconsultants will be subject to review and approval of CMA's representative. Any such subcontracts in excess of \$25,000.00 shall contain all provisions stipulated in this AGREEMENT as applicable to subconsultants.

21. The services described in the Schedule of Work shall be completed on or before _____, unless such date is extended by mutual agreement of the parties.

B. TERMINATION/CANCELLATION.

1. For Convenience. CMA may terminate this AGREEMENT. If CMA terminates the AGREEMENT for the convenience of CMA, CMA shall give CONSULTANT seven (7) days prior written notice. CONSULTANT shall be paid for services performed to the date of termination, to include a pro-rated amount of profits, if applicable, but no amount shall be allowed for anticipated profit on unperformed services. In addition to payment for services performed, CMA shall pay CONSULTANT the allowable costs incurred prior to termination, and other costs reasonably incurred by CONSULTANT to implement the termination, such as, but not limited to, subcontract termination costs and related closeout costs, if any.

2. For Cause. If CONSULTANT fails to fulfill its obligations under this AGREEMENT and CMA decides to terminate this AGREEMENT accordingly, CMA shall give CONSULTANT seven (7) days prior written notice of its intent to terminate the AGREEMENT for cause. If, at the end of the seven (7) day notice, CONSULTANT has not commenced correction of its performance, CMA may immediately thereafter exercise its right of termination.

3. Damages/Compensation. If the termination is due to the failure of CONSULTANT to fulfill its obligations under the AGREEMENT, CONSULTANT will be compensated for that portion of the work which has been completed and accepted by CMA, and for services performed to the date of termination, including a prorated amount of profit, if applicable, but no allowance for anticipated profit on unperformed services. In such case, CMA may take over the work and prosecute the same to completion by contract or otherwise, and CONSULTANT shall be liable to CMA for reasonable costs incurred by CMA in making necessary arrangements for completion of the work by others.

4. Adjustments. If, after notice of termination for failure to perform, it is determined by CMA that CONSULTANT had not so failed and CMA nonetheless desires to

terminate the AGREEMENT, the termination shall be deemed to have been effected for the convenience of CMA. In such event, adjustment shall be made as provided in **Article I, Section B, paragraph 1**.

5. Rights and Remedies. The rights and remedies of the parties provided in this Section are cumulative and not exclusive, and are in addition to any and all other rights and remedies provided by law or other sections of this AGREEMENT.

6. Waivers. CONSULTANT, by executing the AGREEMENT, shall be deemed to have waived any and all claims for damages in the event of CMA's termination for convenience as provided in **Article I, Section B, paragraph 1**, except for justifiable costs of termination, including, but not limited to, subcontract termination costs as mutually agreed by CMA and CONSULTANT.

C. REVISIONS IN SCOPE OF SERVICES.

1. Change Order. CMA's representative may make changes in or additions to the Scope of Services under the AGREEMENT if such changes are agreed to by CONSULTANT, which agreement shall not be unreasonably withheld, through a written Change Order which does not modify the overall purpose, term or compensation provisions of the AGREEMENT. No changes in the Scope of Work shall cause an increase in cost to CMA unless the change is approved in advance by a written Change Order.

2. Extra Work. At any time during the term of the AGREEMENT, CMA may order extra work to be performed by CONSULTANT. Extra work is defined as work which was not anticipated and/or contained in the AGREEMENT and which is determined by CMA to be necessary for the PROJECT. Necessary changes in the description of the Scope of Services, equitable adjustments in allowable costs, fixed fee, maximum price, term and schedule required by the Extra Work Order shall be agreed upon by the parties and incorporated herein through the execution of a written amendment to this AGREEMENT. CONSULTANT shall not perform any work or incur any costs pursuant to any Extra Work Order without prior approval by CMA. CONSULTANT's compensation shall be adjusted due to an Extra Work Order only if it has an impact on costs or terms of the AGREEMENT.

D. OWNERSHIP OF MATERIALS/CONFIDENTIALITY.

1. Documents. Except as noted below, deliverables prepared by CONSULTANT under the AGREEMENT, such as plans, drawings, tracings, quantities, specifications, proposals, sketches, diagrams and calculations, relative to the AGREEMENT shall become the property of CMA upon completion of the term of this AGREEMENT whether or not the PROJECT is completed. CMA shall not be limited in any way in its use thereof at any time during or after the term of this AGREEMENT, provided that any such use not within the purposes of the AGREEMENT shall be at the sole risk of CMA, and provided that CMA shall indemnify CONSULTANT against any damages resulting from such use, including the release of this material to third parties for use not intended in the AGREEMENT, and for deliverables that have been changed without CONSULTANT's written approval. All documents shall be provided in both written and electronic format.

2. Confidentiality. All ideas, memoranda, specifications, plans, manufacturing procedures, drawings, descriptions, and all other written information submitted to CONSULTANT by or on behalf of CMA in connection with the performance of the AGREEMENT shall be held confidential by CONSULTANT and shall not, without the prior written consent of CMA, be used for any purposes other than the performance of the services under this AGREEMENT. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or becomes generally known to the related industry, shall be deemed confidential. CONSULTANT shall not use CMA's name or insignia, photographs of the work, or any other publicity pertaining to the work in any magazine, trade paper, newspaper, or other news medium without the express written consent of CMA. CONSULTANT may use project technical information at will in the demonstration of expertise for purposes of describing project experience to others in the routine conduct of CONSULTANT's business with CMA's prior written consent.

E. CONSULTANT STATUS/SUBCONSULTANTS.

1. Consultant. In the performance of the services to be provided hereunder, CONSULTANT is an independent consultant and is not an employee, agent or other representative of CMA.

2. Assignment or Transfer. Services to be furnished hereunder shall be deemed to be professional services and, except as herein provided, CONSULTANT has neither the right nor

the power to assign, sublet, transfer or otherwise substitute its interest in the AGREEMENT or its obligations hereunder without the prior written consent of CMA.

F. INDEMNIFICATION.

1. Duties. CONSULTANT represents and maintains that it is skilled in the technical practices necessary to perform the services, its duties and obligations, expressed and implied, contained herein, and CMA expressly relies upon CONSULTANT's representations regarding its skills and knowledge. CONSULTANT shall perform all services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

2. Responsibilities. CONSULTANT agrees to defend, protect, indemnify and hold harmless CMA, its officers and employees, from and against any and all liability, claims, suits, loss, damages, costs and expenses (collectively "Claims") to the extent arising out of or resulting from any negligent acts, errors or omissions of CONSULTANT, and its officers, employees, agents or subconsultants in the performance of their services under the AGREEMENT. In the event CMA is found by a court or arbitrator to be partially liable for a Claim, CMA shall reimburse CONSULTANT for its proportionate share of the reasonable costs of defense actually expended, based on its share liability.

CMA shall provide CONSULTANT an opportunity to cure, at CONSULTANT's expense, all errors and omissions, which may be disclosed during the review of the services performed by CONSULTANT. Should CONSULTANT fail to make such corrections in a timely manner, such corrections shall be made by CMA and CONSULTANT shall pay all costs thereof.

It shall be the responsibility of CONSULTANT to provide the basic insurance requirements indicated in **Section G**, below.

G. INSURANCE.

1. Comprehensive Liability. CONSULTANT shall carry Commercial or Comprehensive General Liability Insurance and maintain aggregate limits of liability sufficient cover not less than \$1,000,000.00 per occurrence for bodily injury and \$500,000.00 per occurrence for Property Damage and Automobile Liability Insurance with limits not less than \$250,000.00 per person and \$500,000.00 per occurrence for property damage. Maintenance of

said insurance shall extend throughout the entire term of this AGREEMENT. Such insurance shall add CMA, its officers, employees, agents, and, if applicable other permitting agencies as identified by CMA, while acting within the scope of this AGREEMENT, as additional insureds. Such insurance shall include the following:

- a. All operations including use of all vehicles.
- b. Blanket contractual liability on all written contracts, including this AGREEMENT.
- c. Personal injury (in lieu of, or in addition to, bodily injury).
- d. Use of watercraft, where applicable.

Subconsultants of CONSULTANT shall provide evidence of their own Commercial or Comprehensive General Liability Insurance which meets the above specifications to CMA, or be added to CONSULTANT's policy as additional insured if said policy of CONSULTANT allows such addition.

Notwithstanding the above, in the event a subconsultant, after using its best efforts, is unable to meet the insurance specifications provided in this **Section G, paragraph 1**, CMA, after examining the subconsultant's circumstances, may decide, in its sole discretion, to waive or modify any of the insurance specification requirements for such subconsultant.

2. Errors and Omissions. In addition to the requirements of **Article I, Section G, paragraph 1** above, CONSULTANT shall carry professional liability insurance for errors and omissions in an amount not less than \$1,000,000. Such insurance shall include the following:

- a. A deductible or self-insured retention is permissible on this policy, providing that such deductible or self-insured retention shall not exceed \$50,000 per occurrence.
- b. Said policy shall include a contractual liability endorsement on all written contracts, including this AGREEMENT.
- c. Subconsultants of CONSULTANT providing services of a professional nature, shall provide evidence of their own professional liability insurance which meets the above specifications to CMA, or be added to CONSULTANT's policy as additional insured if said policy of CONSULTANT allows such addition.

Notwithstanding the above, in the event a subconsultant, after using its best efforts is unable to meet the professional liability insurance requirements provided in this **Section G, paragraph 2**, CMA, after examining the subconsultant's circumstances, may decide, in its sole discretion, to modify the professional liability requirements for such subconsultant.

3. Worker's Compensation. CONSULTANT shall carry Worker's Compensation Insurance as required by California Law, covering all work performed by CONSULTANT under the AGREEMENT, and all of CONSULTANT's personnel performing services under the AGREEMENT.

4. Certificates. Insurance certificates evidencing the policies described in this **Article I, Section G** are to be furnished to CMA and provide for not less than sixty (60) days prior written notice to CMA of any cancellation.

H. PROHIBITED INTEREST.

1. Solicitation. CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for CONSULTANT, to solicit or secure the AGREEMENT and that it has not paid or agreed to pay any company or person, other than a bonafide employee working solely for CONSULTANT, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or making the AGREEMENT. For breach of violation of this warranty, CMA shall have the right to rescind the AGREEMENT without liability.

2. Conflict of Interest. CONSULTANT agrees that, for the term of this AGREEMENT, no member, officer or employee of CMA, during his/her tenure or for one (1) year thereafter, or member or delegate to the Congress of the United States, shall have any direct interest in the AGREEMENT or any direct or material benefit arising therefrom.

3. Conflict of Employment. Employment by CONSULTANT of any current officer, executive director or other employee of CMA shall not be permitted even though such employment may be outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, for a period of one year after leaving office or employment, no officer, executive director or other employee of CMA shall, for compensation, act as agent or attorney or otherwise represent CONSULTANT by making any formal or informal appearance by making any oral or written communication before CMA, if the appearance or communication is made for the

purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding or revocation of a permit, license, grant, entitlement or contract, or the sale or purchase of goods, services or property.

I. AFFIRMATIVE ACTION AND DISADVANTAGED BUSINESS ENTERPRISE PROGRAM.

1. In connection with the execution of the AGREEMENT, CONSULTANT shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40) or sex. CONSULTANT shall take affirmative action to insure that applicants are employed and that employees are treated during their employment without regard to their race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40) or sex. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination.

2. To the extent applicable, CONSULTANT will comply with CMA's Disadvantaged Business Enterprise (DBE) Program.

J. NOTIFICATION.

All notices hereunder and communications regarding interpretation of the terms of the AGREEMENT or changes thereto shall be effected by the mailing thereof by registered or certified mail, postage prepaid and addressed as follows:

CONSULTANT:

ATTN: (name)
(address)
(city), CA (zip)

CMA:

ALAMEDA COUNTY CONGESTION
MANAGEMENT AGENCY

ATTN: Dennis Fay
Executive Director
1333 Broadway, Suite 220
Oakland, CA 94612-1918

K. AUDIT OF BOOKS AND RECORDS.

CONSULTANT shall make available to CMA, its authorized agents (including but not limited to representatives of the state and federal governments), officers and employees, for examination, any and all ledgers and books of account, invoices, vouchers, canceled checks, and

other records or documents evidencing or related to the expenditures and disbursements charged to CMA, and shall furnish to CMA, its agents, and employees, such other evidence or information as CMA may require with respect to any such expense or disbursement charged by CONSULTANT.

The records described in this Section shall be retained by CONSULTANT and made available for inspection by CMA for a period of three (3) years after this AGREEMENT is terminated. The audit to determine final compensation will be accomplished by CMA within one year after completion of the PROJECT.

L. ENTIRE AGREEMENT.

This AGREEMENT constitutes the entire agreement between the parties hereto relating to the PROJECT and supersedes any previous agreement or understanding.

ARTICLE II - SCHEDULE

A. SCHEDULE OF WORK.

CONSULTANT shall conform with the schedule set forth in Appendix C, "Milestone Schedule", which is attached hereto and incorporated herein by reference except as otherwise modified by the AGREEMENT. In the event it becomes necessary to Modify the Schedule of Work, CONSULTANT will prepare a revised schedule for review and approval by CMA. When a revised schedule has been submitted to and approved by CMA, it will be substituted for Appendix C and will become a part of this AGREEMENT. CONSULTANT is responsible for reporting in a prompt and timely manner whenever it appears the established work schedule will not be met, whether or not the reasons for anticipated delay are within CONSULTANT's control.

B. REPORTING.

Monthly progress reports in a form acceptable to CMA, which describe work accomplished, shall be submitted with CONSULTANT's monthly billings. CMA agrees to respond to CONSULTANT's draft report submissions in accordance with the Schedule of Work.

C. DELAY.

Neither party hereto shall be considered in the default in the performance of its duties and obligations under this AGREEMENT with respect to the "Milestone Schedule", to the extent that the performance of any obligation is prevented or delayed by an Excusable Delay as defined

herein. Should CONSULTANT's services be delayed by any mutually agreed upon excusable cause, CONSULTANT's schedule for completion of tasks affected by such delay shall be extended as agreed to by CMA. CONSULTANT shall take all reasonable actions to minimize any schedule extensions or additional costs to CMA resulting from such delay. Excusable Delays may include, but are not limited to, acts of God or of the public enemy, acts or failures to act of other agencies or CMA (in either their sovereign or contractual capacity), embargoes, and unusually severe weather. In every case, the failure to perform must be reasonably beyond the control and without the fault or negligence of CONSULTANT.

D. NOTICE OF POTENTIAL DELAY.

As a condition precedent to the approval of an extension of time to complete the established work schedule, CONSULTANT shall give written notice to CMA within seven (7) working days after CONSULTANT knows or should know of any cause or condition which might, under reasonably foreseeable circumstances, result in delay for which CONSULTANT may claim an extension of time.

ARTICLE III – COMPENSATION/PAYMENT

A. COMPENSATION.

Compensation by CMA to CONSULTANT will be on the cost basis set forth in Appendix D, "Project Cost Proposal."

B. AGGREGATE AMOUNT.

1. Total compensation for services to be performed under this AGREEMENT will not exceed \$ _____, including Direct Expenses but excluding taxes, and CONSULTANT shall not be obligated to perform additional services beyond the scope of this AGREEMENT or incur costs which would cause this amount to be exceeded, unless and until the AGREEMENT has been formally amended in writing.

2. The aggregate amount was computed based on Appendix A, "Detailed Scope of Work" and Appendix D, "Project Cost Proposal", of this AGREEMENT.

C. INVOICES AND TIME OF PAYMENT.

1. For all services described in **Article I** and **Appendix A**, payment is due within thirty (30) days after receipt of billing of the amount due, as prescribed in this **Article III**, for all

services rendered during the month, except as otherwise provided in this **Section C**. Payment for service will represent the value of the completed scope of work as measured by expended costs to date.

2. CMA shall withhold ten percent (10%) of each progress payment referred to in **paragraph 1** above.

3. If CMA disputes any portion of the amount due to CONSULTANT, it may, at its sole discretion, withhold payment up to 150% of the disputed amount pending resolution of the dispute. If any amount is wrongfully withheld or not paid to CONSULTANT on a timely basis, CMA shall pay to CONSULTANT 1.5% per month for the improperly withheld amount for each month which payment is wrongfully withheld or not paid. In any action for the collection of amount withheld in violation of this provision, the prevailing party shall be entitled to reasonable attorney's fees and costs.

4. CONSULTANT agrees that within twenty (20) days of receipt of payment from CMA, CONSULTANT shall pay to its subconsultants all amounts due from such payment, subject to such legal requirements under federal or state law regarding withholding of disputed payments and applicable penalties.

5. The format of payment invoices shall be as mutually agreed upon by CONSULTANT and CMA.

6. CMA may, on occasion, request reasonable documentation for certain expense items. In such instances, payment for all other amounts in the invoice for which additional documentation is not required will be made.

7. Upon CMA's Final Acceptance pursuant to **Article I, Section A, paragraph 18**, CONSULTANT shall submit a final invoice to CMA and request final retention payment. CMA shall make final retention payment to CONSULTANT within 45 days of receipt of billing of the amount due. Final Payment shall be subject to the provisions of **paragraphs 1 and 3** above with regard to CMA's right to withhold disputed payments, CONSULTANT's rights to 1.5% payment on wrongfully withheld or untimely payment, any prevailing party's reasonable legal fees and costs and payments to subconsultants.

8. CONSULTANT agrees that the cost principles set forth in Title 48 CFR, Chapter 1, Part 31 (Cost Principles and Procedures) shall be used to determine the allowability of individual cost items. Any costs for which payments have been made to CONSULTANT which are determined by subsequent audit to be unallowable under these cost principles are subject to repayment by CONSULTANT to CMA.

9. CONSULTANT agrees to comply with federal procedures in accordance with Title 49 CFR, Part 18 (Uniform Administrative Requirements for Grants and Agreements with States and Local Governments).

10. If any subconsultant provides services pursuant to this AGREEMENT, the agreement with said subconsultant shall contain a clause to the effect that the provisions of **paragraphs 8 and 9** above shall apply to said subconsultant.

D. SUSPENSION OF WORK.

In the event payment for services rendered has not been made within forty-five (45) days from the receipt of the invoice for any uncontested billing, CONSULTANT may, after giving fifteen (15) days written notice and without penalty or liability of any nature, suspend all work on all authorized services specified herein. Upon receipt of payment in full for services rendered, CONSULTANT will continue with all authorized services. Payment of all compensation due CONSULTANT pursuant to this AGREEMENT shall be a condition precedent to CMA's use of any of CONSULTANT's professional service work products furnished under this AGREEMENT.

ARTICLE IV - OBLIGATIONS OF CONSULTANT

A. AUTHORIZATION TO PROCEED.

CONSULTANT will not begin work on any of the services described in **Article I** until CMA directs it in writing to proceed.

ARTICLE V – OBLIGATIONS OF CMA

A. CMA-FURNISHED DATA.

CMA will provide to CONSULTANT all relevant technical data in CMA's possession, including, but not limited to, previous reports, [maps, surveys, borings,] and all other information relating to CONSULTANT's services on the PROJECT. CONSULTANT will reasonably rely upon the accuracy, timeliness, and completeness of the information provided by CMA.

B. ACCESS TO FACILITIES.

CMA will make its facilities reasonably accessible to CONSULTANT as required for CONSULTANT's performance of its service.

C. TIMELY REVIEW.

CMA will examine the studies, reports, sketches, drawings, specifications, proposals, and other documents; obtain advice of an attorney, insurance counselor, accountant, auditor, and other consultants as CMA deems appropriate; and render, in writing, decisions required of CMA in a timely manner.

D. PROMPT NOTICE.

CMA will give prompt written notice to CONSULTANT whenever CMA observes or becomes aware of any development that affects the scope or timing of CONSULTANT's services, or any defect in the work of CONSULTANT or its subconsultants.

ARTICLE VI - APPENDICES, SCHEDULES AND SIGNATURES

This AGREEMENT, including its Appendices, constitutes the entire agreement, supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties.

The following Appendices are hereby made a part of this AGREEMENT:

Appendix A: DETAILED SCOPE OF WORK

Appendix B: CONSULTANT AND SUBCONSULTANT FIRMS KEY PROJECT
PERSONNEL

Appendix C: MILESTONE SCHEDULE

Appendix D: PROJECT COST PROPOSAL

IN WITNESS WHEREOF, CMA has by order caused the AGREEMENT to be subscribed by the binding authority of CMA and CONSULTANT has caused the AGREEMENT to be subscribed on its behalf by duly authorized signees.

CONSULTANT:

By: _____
Name: _____
Its: _____

Date: _____

CMA:

ALAMEDA COUNTY CONGESTION
MANAGEMENT AGENCY

By: _____
Dennis Fay, Executive Director

Date: _____

Recommended For Approval

By: _____
Name / Title

Approved as to form and legality:

Wendel, Rosen, Black & Dean, LLP
Legal Counsel to CMA

APPENDIX A
to the
AGREEMENT
between the
ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
and

DETAILED SCOPE OF WORK

APPENDIX B
to the
AGREEMENT
between the
ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
and

CONSULTANT AND SUBCONSULTANT
FIRMS KEY PROJECT PERSONNEL

APPENDIX C
to the
AGREEMENT
between the
ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
and

MILESTONE SCHEDULE

APPENDIX D
to the
AGREEMENT
between the
ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY
and

PROJECT COST PROPOSAL

ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY

**REQUEST FOR PROPOSALS
for
AUDITING SERVICES**

Appendix E

List of Accounting Firms

The following firms received notice of this RFP

Company	Address	City	State	ZIP
Caporicci & Larson	3184-D Airway Avenue	Costa Mesa	CA	92626
Cropper Accountancy Corp.	2977 Ygnacio Valley Rd., #460	Walnut Creek	CA	94598
Deloitte & Touche	1111 Broadway, Ste. 2100	Oakland	CA	94607
Ernst & Young	1331 N. California Blvd., Ste. 200	Walnut Creek	CA	94596
Grant & Smith, LLP	505 14th Street, Ste. 950	Oakland	CA	94612
Grant Thornton	1 California St., Ste. 1100	San Francisco	CA	94111
Jessica Wu	180 Grand Ave., #1365	Oakland	CA	94610
Ken Yee & Associates	767 N. Hill Street	Los Angeles	CA	90012
Kevin Harper, CPA	3002 Seriana Court	Union City	CA	94587
Lautze & Lautze	303 2nd Street, Ste. 950	San Francisco	CA	94107
Macias, Gini & Co., LLP	3927 Lennane Dr., Ste. 200	Sacramento	CA	95834
Maher Accountancy	1299 Fourth Street, Suite 200	San Rafael	CA	94901
Maze & Associates	1931 San Miguel Dr., Ste. 100	Walnut Creek	CA	94596
Moss, Levy & Hartzheim	4740 Northgate Blvd., #160	Sacramento	CA	95834
Pannel, Kerr, Foster	425 California St., Ste. 1600	San Francisco	CA	94104
Peter Magee	5875 Doyle St., #112	Emeryville	CA	94608
Price Waterhouse Coopers	2020 Main St., Ste. 400	Irvine	CA	92614
Price Waterhouse Coopers	555 California St., 36th Floor	San Francisco	CA	94104
Robert Larson & Associates	3450 3rd Street - 3B	San Francisco	CA	94124
Rooney, Ida, Nolt & Ahem	1220 Oakland Blvd., Ste 310	Walnut Creek	CA	94596
Vargas & Co.	601 N. First Street	San Jose	CA	95112
Williams Adley	1330 Broadway, #1825	Oakland	CA	94612